

BSG-HESS-1 Please refer to the Testimony of Rebecca Bachelder (“Bachelder Testimony”) at p. 5 and p.14. How does Bay State’s ability to estimate Non-Daily Metered customers’ usage, i.e., their adjusted target volumes (“ATV”), impact Supplier’s Daily Metered overtakes that were analyzed to support the reliability planning standard of 30% of grandfathered (“GF”) design day requirement? If there is no connection, please so state.

Response:

Although these are two independent activities, the accuracy of forecasting both daily and non-daily metered customer use has a direct bearing on delivery of adequate supply to serve customer usage on Bay State’s system. If the information received by marketer’s regarding delivery requirements is deficient, it makes it much more difficult for the marketer to correctly estimate customer use. Similarly, if Bay State does not accurately forecast non-daily customer use, marketers will deliver the amount specified and either Bay State will need to back-fill with portfolio resources, or the marketer will have over delivered their requirements.

Bay State has indicated that it cannot distinguish between daily metered and non-daily metered customer overtakes, whether they are grandfathered customers or not. Therefore it makes sense to tighten up procedures with each delivery class in order to optimally match deliveries and usage.

- BSG-HESS-2 Please refer to the Bachelder Testimony at p. 5. Given either that (1) customers that have annual use 250,000 therms or more (Extra Large Volume) must take Daily Metered service in accordance with the Company's Distribution and Default Service Terms and Conditions ("T&C's"), or (2) Suppliers choose to enroll smaller use customers on Daily Metered service:.
- (a) Please identify who is ultimately responsible to estimate Daily Metered customers' daily use;
 - (b) Please explain how Suppliers attempt to develop and maintain the capability of accurately estimating the daily use of Daily Metered customers; and
 - (c) What is your understanding of the LDC's required role in facilitating the estimation of the daily use of Daily Metered customers.

Response:

Estimating daily metered customers' daily use is necessarily a coordinated effort between customers, the marketer and the LDC. Although the marketer is responsible for estimating its daily metered pool requirements and nominating such to the LDC, in order to do so the marketer relies on data provided by the LDC and gathered by the metering systems in place at each customer's premise. Each party has responsibility for ensuring that phone lines are operative. The marketer attempts to gather data regarding load factor, usage history and operating requirements of its customers from the LDC and the customer when they are placed under contract. If data is either missing or incorrect, it puts the marketer in a precarious position as the marketer relies on the metered data provided by the LDC. An LDC that executes poorly regarding the provision daily metered data can create problems with estimation due to bad data and can sully the reputation of the marketer with their customers and can cause estimation errors that result in financial penalties. The timing of the correction of such data also has a significant impact on the marketer and its customers.

BSG-HESS-3 Please refer to the Bachelder Testimony at p. 9, 10. (a) Please explain why a GF customer overtake experienced on a non- operational flow order (“OFO”) day does not demonstrate that such an overtake could occur on any day, including an OFO day. (b) Are Suppliers more likely to experience upstream delivery constraints on days when the Company issues an OFO than on any non-OFO days? Please explain in detail.

Response:

- a) The terms and conditions are considerably different on OFO days vs. non-OFO days. Penalties are significantly higher on OFO days than non-OFO days in order to encourage accurate deliveries when the system needs it most. Additionally, in Ms. Bachelder’s experience, when she was responsible for sales forecasting for over a decade at Boston Gas, it is typically more difficult to forecast usage in the shoulder months of October, November, early December, late March, April and May, which is when all but three of the largest percentage overtakes occurred. These forecasting difficulties typically do not translate to peak period difficulties. Use per degree day is not consistent in the shoulder months as some customers wait to turn on heat, or turn it off early. Also depending on the weather patterns and whether the daily highs are warm enough to carry internal temperatures through the night, or conversely if there is significant cool rain and cloud cover, use per degree day will also not reflect solely the heating degree days experienced. It is much easier to forecast the cold periods of mid-December through mid-March more accurately as each customer has their heating applications operating in relationship to degree days.
- b) Yes. All shippers, including utilities, experience more upstream constraints during OFO periods. That is precisely why we believe that this is the most relevant data to determine marketer delivery reliability.

BSG-HESS-4 Please refer to the Bachelder Testimony at p. 11 – 12. (a) Please explain why an LDC, such as Bay State, should conclude that the identity, characteristics and number of Suppliers doing business in Massachusetts have stabilized based on the history of Suppliers dropping off and coming on BSG's system throughout the past 10 years? (b) Provide evidence that would support a claim that the marketplace will not continue to experience Suppliers exiting Bay State's service territory for a variety of reasons, including (a) change of business plans, (b) merging with or acquiring another Supplier, or (c) dissolving its business.

Response:

- a) It is not so much the marketers that have stabilized, but rather the operating Terms and Conditions and mandatory capacity assignment program put in place on November 1, 2000 have stabilized. The Massachusetts state-wide transportation program rules have been in place for nearly 6 years with only minor changes made since November 1, 2000. Furthermore, of the remaining marketers, most have been in business on Bay State's system since the new Model Terms & Conditions were put in place. This indicates that the marketers that remain have significant experience operating under the Model Terms & Conditions. Exhibit Hess-3 shows that these marketers are operating reliably.
- b) Bay State has misinterpreted the testimony. We do not claim that marketers will not exit Bay State's service territory. We merely state that the remaining marketers are more experienced and are expected to perform better than their predecessors.

BSG-HESS-5 Are you aware of any marketers who have left the market since the year 2000 who did not sell their book to a competitor, but returned their grandfathered customers to LDC bundled sales service? If so, how many marketers returned grandfathered customers to bundled sales service.

Response:

Due to her experience with a number of marketers, Ms. Bachelder is aware that a number of marketers turned back their residential customers to Bay State for a variety of reasons that she testified to in DTE 01-81, Bay State Gas. She cannot however, identify individual marketers who did not sell their book or who were not acquired and exited the territory and returned their customers to Bay State as that is typically confidential information. Bay State is in a better position to answer its question as it is in possession of all of that data. It is our experience that more frequently, a marketer will sell all or most of their books of business to other marketers in the event their business model takes them out of Massachusetts. See Exhibit Hess-4.

BSG-HESS-6 Please refer to the Bachelder Testimony at p. 11 – 12. Accept the premise that one can expect Bay State to experience the current limited number of Suppliers (totaling seven) to continue doing business behind its system. Please explain whether there is a greater system reliability risk associated with one Supplier failing to deliver at the present time as compared to the risk posed a few years ago, of one Supplier failing to deliver, when the Company had almost double the number of Suppliers doing business on its system.

Response:

The risk was likely greater when the Terms & Conditions had just been implemented that any one marketer or more than one marketer would fail to deliver as the marketers were just gaining experience with the new Terms & Conditions. The marketers left are experienced and have been able to manage their loads under the Model Terms & Conditions for six winters. The survivors are stronger and more capable and are much less likely to fail because of this experience.

BSG-HESS-10 Please refer to the Bachelder Testimony at p. 14 & 15. How could real-time metering (and remote shut-off controls) be utilized to avoid the system reliability consequences caused by GF overtakes in the course of a Critical or OFO Day?

Response:

Real time metering data if available to both the marketer and the largest customers could allow marketers to monitor customer loads during critical days. Contracts could be established that give customers incentives to reduce loads during critical days or allow curtailment if the customer exceeds their maximum hourly take.

BSG-HESS-11 Please refer to the Bachelder Testimony at p. 17. Given that BSG's proposal addresses the risk imposed on its system in the event of any GF customer overtake on a Critical Day, how could any rate design distinguish between GF customers **before** such an overtake occurs?

Response:

Bay State should establish a rate design that only imposes penalties on marketers who have failed to maintain appropriate performance standards during peak or critical days as they already have in their tariff.

BSG-HESS-12 Please describe how Hess would avoid under-deliveries to its GF customers in the event of an upstream pipeline disruption.

Response:

Hess would address upstream disruptions in the same way LDCs would. Hess would draw on their diverse portfolio of other resources downstream of the disruption, including but not necessarily limited to storage; bring in supplies from other pipelines; or attempt to purchase resources downstream of the disruption.

BSG-HESS-13 Reference Ms. Bachelder's testimony at page 1, lines 7-9. Please provide support for the statement that "Hess is a leading total retail energy provider in the Eastern United States".

Response:

Please see the Annual Report of Hess Corporation, which can be found at www.hess.com on the Investor Relations link. Information contained therein regarding Hess' business of providing retail oil, natural gas and electricity services and products to its customers, in addition to its gasoline services, supports the above referenced position.

BSG-HESS-14 Reference Ms. Bachelder's testimony at page 1, lines 15-16. Please provide support for the statement that "Hess is one of the largest suppliers in New England". Is it Ms. Bachelder's contention that Hess is one of the largest suppliers of retail natural gas services? If so, please support this aspect of Ms. Bachelder's statement.

Response:

Please see the response to BSG-HESS-13.

BSG-HESS-17 For each MA LDC identified in the response to BSG-HESS-15, please provide the following information for grandfathered customers for each year beginning 2003:

- i) the number of customers served;
- ii) the total annual load served; and
- iii) the aggregate MDQ or other measure of peak usage of customers served.

Response:

Bay State has agreed to withdraw this question.

BSG-HESS-18 For each Bay State customer served by Hess, please provide the following:

- i) Bay State customer account no.;
- ii) initial length of contract;
- iii) date at which the customer can currently cease taking service from Hess without incurring any termination penalty.

Response:

Hess objects to this question as burdensome and seeking proprietary information that is irrelevant and immaterial to this proceeding. First, the data that Bay State seeks is not readily accessible in the form requested. Hess objects that production of such data would be burdensome. The question would require Hess to identify each customer on Bay State's system, retrieve all contracts with that customer, identify which contracts are for service off of Bay State's system, and review and analyze each of those contracts to determine information responsive to the question. That information is proprietary and competitively sensitive to Hess and Hess does not make that information available outside of the Company.

Second, Hess fails to see how confidential individual customer contract information of a single marketer would have any bearing on whether or not Bay State needs a reserve. Therefore, it is immaterial to the outcome of this proceeding and will not lead to the discovery of admissible evidence.

Customer contracts are not the relevant evidence. Overall marketer performance is. Production of such data would be burdensome and of questionable value to the record in this proceeding and would unfairly punish Hess vs. the other marketers on Bay State's system who would not be required to provide such confidential information.

BSG-HESS-19 Reference Ms. Bachelder's testimony at page 1, lines 14-15. Please provide a detailed description of all gas supply wholesale services provided by Hess to its retail arm. Are these gas supply services provided pursuant to a contractual agreement between the wholesale and retail affiliates. Please describe any gas supply performance guarantees provided to the retail affiliate serving Bay State's customers.

Response:

Hess' wholesale and retail activities are performed under Hess Corporation. There are no affiliates.

BSG-HESS-20 Reference Ms. Bachelder's testimony at page 1, lines 14-15. Does the retail affiliate serving Bay State's customers acquire gas supply services from any entity other than an affiliated Company? If so, please describe the services acquired from other entities including the total contract quantity for each service.

Response:

Hess Corporation procures all resources for its wholesale and retail businesses. There is no affiliated company. Hess does not disclose its confidential and competitively sensitive portfolio strategies to potential customers or competitors. Bay State could fall into either category.

BSG-HESS-21 How would Ms. Bachelder estimate the economic impact of a single day system outage on Bay State's system. Specifically address the economic impacts to each of the following entities:

- i) Non-essential needs C&I customers that experienced load loss;
- ii) Essential needs C&I customers that experienced load loss;
- iii) Residential customers that experienced load loss;
- iv) Marketers serving customers that experienced load loss;
- v) The economy of Massachusetts; and
- vi) Bay State Gas.

Response:

Ms. Bachelder does not testify to the impacts of outages and has no specific data relative to the customers and load for the categories specified. Bay State is in a better position to respond to its own question.

BSG-HESS-22 Please explain whether Ms. Bachelder considered the implications of system load loss on Bay State's system in preparing her recommendations. If so, please explain in detail how potential system load loss attributable to Grandfathered customer overtakes was considered by Ms. Bachelder. If not, why not?

Response:

Ms Bachelder evaluated the performance of marketers on OFO days, when delivery performance is most crucial. The evidence is strong that delivery performance by marketers has been exceptional, and therefore, she did not consider "system load loss" to be a problem.

BSG-HESS-23 Reference Ms. Bachelder's testimony at page 5, lines 5-10. Please explain how forecasting errors associated with non-daily metered customers affect imbalances associated with daily metered customers.

Response:

All forecasting relied upon to make deliveries contributes to reliability. If daily metered customer forecast errors occur creating large imbalances, that can affect system reliability. Similarly, if there are large forecasting errors in forecasting non-daily metered loads, that also affects system reliability as the LDC must make up or shed the difference. See response to Hess-1.

BSG-HESS-24 Please describe in detail Ms. Bachelder's understanding of how Bay State reflects in its resource planning its responsibility to manage the differences between actual non-daily-metered consumption and ATVs, using forecasted degree-day data, on a daily basis.

Response:

Ms. Bachelder has not testified as to how Bay State reflects weather-related differences in non-daily metered deliveries and has not evaluated Bay State's resource plan with respect to non-daily metering forecast errors, whether they are weather-related or differences between what was forecast and actual usage. Ms Bachelder merely points out that these large forecast errors exist, and that they should be addressed up front, and should not affect the planning process.

BSG-HESS-25 Please explain the respective responsibilities of Bay State Gas and suppliers to estimate usage for daily metered customers. Note any distinctions between grandfathered and non-grandfathered daily-metered customers.

Response:

Please see response to BSG Hess-1 and BSG Hess-2.

BSG-HESS-26 Please describe in detail the “significant adjustments” noted on page 5, line 20 of Ms. Bachelder’s testimony. Please note whether each “significant adjustment” was implemented by Hess. Please also describe whether each “significant adjustment” was implemented by other marketers serving Bay State customers and any support for the actions of other marketers.

Response:

Ms. Bachelder is referring to marketers having to manage a “slice of system” mandatory assignment program along with all of the other provisions of the Model Terms & Conditions implemented in November, 2000 by all of the LDCs in the Commonwealth. Marketers in general experienced 5 times index penalties during those two occurrences and did not repeat these aggregate under-deliveries as shown in Exhibit Hess-3.

BSG-HESS-27 Please describe in detail any restrictions related to potential modifications to Hess' current business plan or strategy of serving Bay State customers.

Response:

In discussions with Bay State, we understand this question to refer to any regulatory or other restrictions preventing marketers from exiting the Bay State market.

Hess has contractual obligations to serve its customers which are and will be adhered to.

BSG-HESS-28 Please describe in detail any restrictions related to potential modifications to current business plans or strategies of other marketers (other than Hess) serving Bay State customers.

Response:

In discussions with Bay State, we understand this question to refer to any regulatory or other restrictions preventing marketers from exiting the Bay State market.

Although Hess cannot speak to other marketers' strategies or business plans, like Hess, other marketers have contractual obligations with their customers. Hess and Ms. Bachelder are unaware of the specifics of those contracts.

BSG-HESS-29 Please describe in detail any restrictions upon Hess related to potential modifications to its current business plan or strategy of acquiring wholesale services from its affiliate.

Response:

Hess has no wholesale affiliate and has no regulatory restrictions other than those established by FERC or the various state jurisdictions under which it operates which regulate capacity release, city gate sales, mandatory capacity assignment, and in some cases, the procedures under which a marketer is allowed to exit business in a particular state.

BSG-HESS-30 Please describe in detail any restrictions upon other marketers, other than Hess, related to potential modifications to their current business plans or strategies of acquiring gas supplies to serve Bay State customers.

Response:

Neither Hess nor Ms. Bachelder can speak to the business strategies of other marketers; however other marketers must operate under the same regulatory rules in the same jurisdictions as Hess.

BSG-HESS-31 Reference Ms. Bachelder's testimony at page 5, line 21 through page 6, line 1.
Would Ms. Bachelder modify her recommendations in any way to ensure
system reliability, had Bay State experienced operational problems on any of
the referenced days including loss of system load?

Response:

If Bay State had experienced any operational problems, Ms. Bachelder would have recommended they issue an OFO on those days. Marketers clearly respond to the delivery needs when OFOs are declared as seen in Exhibit Hess-3.

BSG-HESS-32 Reference Ms. Bachelder's testimony at page 5, line 21 through page 6, line 1.
Please describe Ms. Bachelder's understanding of how Bay State was able to
avoid operational problems on each of the referenced days?

Response:

Without analyzing the specifics, Ms. Bachelder took Bay State's testimony at face value and assumes that Bay State used underutilized system capacity and was compensated at above market rates to the benefit of firm default service customers.

BSG-HESS-33 In the event that Bay State experienced a loss of load on its system on a day that it experienced grandfathered customer overtakes, what payments would grandfathered customers and their marketers be responsible to pay Bay State pursuant to Bay State's tariff?

Response:

In discussions with Bay State, the Company has clarified that the phrase "loss of load" refers to curtailments. Please see Bay State tariff at Section 11.6 Balancing.

BSG-HESS-34 Please explain in detail the operational differences for Bay State Gas on OFO and non-OFO days.

Response:

Please see Bay State tariff at Section 11.6 Balancing.

BSG-HESS-35 Please explain in detail the operational differences for Hess on OFO and non-OFD days.

Response:

Please see Bay State tariff at Section 11.6 Balancing

BSG-HESS-38 Reference Ms. Bachelder's testimony at page 6, lines 13-18. Please provide the basis for the statement that the reserve would "only need to be in place during the peak 10 to 20 days of the year". Provide all supporting analyses and other documentation related to this statement.

Response:

Ms. Bachelder does not recommend acquiring any reserve. A reserve is only needed if deliveries are a problem, and evidence shows that OFO day deliveries are certainly not a problem. That being said, if a reserve were to be deemed necessary, Ms. Bachelder determined it would only be needed for the 10 to 20 peak days when Bay State utilizes on system LNG resources as that is the time frame over which portfolio upstream capacity and storage are fully utilized and there is no excess.

BSG-HESS-39 Reference Ms. Bachelder's testimony at page 6, lines 13-18. Please describe what Ms. Bachelder means by the phrase "if Bay State's firm capacity is fully subscribed". How would such a condition be determined?

Response:

Ms. Bachelder's use of the term "fully subscribed" refers to a perfect balance between customer usage and supply, i.e., the sum of the portfolio city gate and on-system resource MDQs equals design day sendout. Bay State reviews the difference in forecast design day sendout and city gate and on-system resources as part of its IRP.

BSG-HESS-40 In Ms. Bachelder's opinion, would it be more appropriate for Bay State to acquire resources to satisfy the reserve for grandfathered customers independently or on an integrated basis with Bay State's other requirements? Please explain the basis for the response.

Response:

Ms. Bachelder does not recommend acquiring any reserve.

BSG-HESS-41 Reference Ms. Bachelder's testimony at page 7, lines 3-7. Under what conditions would Ms. Bachelder recommend that a customer lose its Grandfathered status?

Response:

A customer should only lose its grandfathered status if it returns to sales service as addressed in Section 13 of the company's terms and conditions.

BSG-HESS-42 Reference Ms. Bachelder's testimony at page 7, lines 3-7. Describe in detail the benefits to customers of Grandfathered status. Describe separately the benefits to suppliers serving Grandfathered customers.

Response:

A grandfathered customer has more competitive options than a non-grandfathered customer and is likely able to contract for a lower price than a customer who has been assigned capacity. A capacity assigned customer carries with it a "slice of system" allocation of the LDC's capacity. Much of that assignment is uneconomic. Therefore, a customer who is not encumbered with slice of system mandatory capacity can be served more efficiently with fewer contracts.

The benefit of serving grandfathered customers includes flexibility in procuring the resources to serve the customer.

BSG-HESS-43 Please provide all documentation, reports, and studies supporting Ms. Bachelder's assertion that "marketers have developed the expertise necessary to deliver reliably on Bay State's system". Specifically indicate which marketers serving customers on Bay State's system does Ms. Bachelder's statement apply to.

Response:

Please see Exhibit Hess-3. The statement pertains to marketers in aggregate and not any individual marketer in particular.

BSG-HESS-44 Please provide Ms. Bachelder's estimate of the probability that grandfathered customers overtakes exceed the following percentages on a design day with 95% confidence and provide the basis for the derivation of such estimates: i) 30%, ii) 25%, iii) 20%, iv) 10%, v) 5%.

Response:

The likelihood on a design day is that an OFO would be in place and that marketers would over-deliver slightly. OFO day overdeliveries occurred on 146 out of 169 OFO days, or 86% of the time. Underdeliveries occurred within tolerance another 9 days, or 5%. Therefore on 91 percent of the OFO days, deliveries have been within tolerance or have exceeded tolerance, and were somewhat deficient on 9 percent of the days, but were only deficient by 4 percent or less.

BSG-HESS-45 Please provide all documentation, reports and studies supporting Ms. Bachelder's contention that a reduction in the number of marketers serving Bay State's customers results in a concurrent stabilization in reliability.

Response:

Ms. Bachelder does not state that a reduction in marketers indicates stabilization in reliability. Ms. Bachelder indicates that experience of the marketers on its system with the Massachusetts capacity assignment program and the Model Term & Conditions is what creates stability and reliability.

BSG-HESS-46 Reference page 14 line 21 through page 15 line 10. Is Ms. Bachelder recommending that metering options include flow-control? If not, how would Bay State satisfy the Department's directive in D.T.E. 02-75A to shutoff grandfathered customers that exceed their TCQs? If yes, please describe in detail all necessary protocols and requirements that must be satisfied prior to shutting off a customer, as well as any required tariff changes.

Response:

Ms. Bachelder's testimony recommends that Bay State consider more metering options and perform a cost/benefit analysis of those options. Bay State could consider modifications to its OFO day protocols which would include more communication with marketers whose supplies have been cut, or who do not have confirmed nominations, and could include curtailment of customers whose marketers' nominations are not complete after these communications have occurred. These curtailments would only be needed under the rare circumstance that the company reaches design day or near design conditions (once in 30 years) and could be undertaken manually for the largest nonhuman needs customers of the non-performing marketer. OFO day nomination restrictions would typically not allow a marketer to increase its already submitted nominations, so there is no need for Bay State to wait until the last intra-day nomination deadline to act if the system is threatened.

BSG-HESS-47 Please explain in detail how Ms. Bachelder's proposals address the operational risks posed by the unauthorized taking of gas.

Response:

Ms. Bachelder's proposals would give marketers the best data possible under the current operating environment with which to estimate usage and take the appropriate actions to ensure adequate deliveries to serve that load. Furthermore, improvements in Bay State's forecasting of non-daily metered customers' load would have marketers providing only those resources used by those customers, no more and no less.

BSG-HESS-48 Please refer to Bachelder Testimony at p. 5, lines 8-9, what is the breakout of the design day and annual load of Hess' grandfathered and non-grandfathered daily metered customers?

Response:

Bay State has this data. Furthermore, confidential data pertaining to an individual marketer is not relevant and should not be part of the public record.

BSG-HESS-49 How does a supplier's access to Bay State's on-system no-notice LNG and propane resources, affect their ability to better meet changing requirements of their non-grandfathered daily metered customers?

Response:

Access to on-system assets can be desirable for reliability reasons; however, these are not the only peaking resources available. We encourage Bay State to make any excess on-system resources available on a voluntary basis.

BSG-HESS-50 In your opinion, if Bay State did not receive any nominations from marketers for its pool of customers, should it wait until the last nomination deadline (6:00 P.M. CT) on the upstream pipeline before taking any action to make up for this imbalance or should Bay State wait? Assuming that Bay State waits for final intra-day cycle nominations, and retail marketers have not cured their under-delivery at that time, what resources, if any, do you feel would be available to Bay State in the upstream market? Given that no more than 12 hours remains in the Gas Day, would these resources be sufficient to satisfy these grandfathered customers' total firm requirements? If not, how should Bay State ensure reliability of service to all of its customers?

Response:

If Bay State did not receive any nominations from a marketer or any marketer, Bay State should get in touch with the marketer(s) prior to the first interstate pipeline nomination deadline to see why. This should be standard operating protocol. The lack of a nomination most likely indicates an administrative error on the part of the marketer and can likely be cured if it is brought to the marketer's attention prior to the pipeline nomination deadline.

If the nomination failure is not due to administrative error, and Bay State is unable to cover the shortage and the system is threatened, Bay should take whatever action is necessary to protect the system in accordance with its tariff and defined operating protocols.

BSG-HESS-51 In your opinion, do retail marketers plan on meeting the design day requirements of their pool of customers? Is there a distinction between planning for grandfathered and non-grandfathered daily metered customers? If not, why not? What is the design day standard used by marketers to meet their firm requirements, e.g. 1 in 25 years, 1 in 33 years, etc.?

Response:

Based on the evidence submitted in Exhibit Hess-3 and Ms. Bachelder's experience in working for and with several marketers, there is nothing to indicate the marketers do not plan for peak day requirements. Hess plans its deliveries around reliably serving all of its customers.

BSG-HESS-52 Does Hess rely on the ability to trade imbalances pursuant to Bay State's Tariff to avoid any daily metered under-deliveries? If so, to what extent. What assurances does Hess have that other retail marketers will over-deliver, helping to off-set any under-deliveries by Hess?

Response:

Hess does not rely on imbalance trading as a source of supply. Hess strives to deliver full customer requirements and uses imbalance trading to minimize penalties in the event it underestimates requirements or has a scheduling error for any of its contracts. Hess also sells over-delivery imbalances to minimize the economic impact of over-delivering.

BSG-HESS-53 Has Hess under-delivered by more than 30% for its daily metered pool on any day prior to entering into any imbalance trades? If so, please list these days and imbalance percentages.

Response:

Bay State has this information in its databases and has provided individual marketer information (without identifying the marketer) regarding deliveries and imbalances in its information response to DTE 1-4. It is unnecessary and immaterial to this proceeding to identify an individual marketer and confidential marketer information for the public record.